

Service Date: May 8, 1997

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER OF MONTANA-DAKOTA	)	UTILITY DIVISION
UTILITIES COMPANY, Application for	)	
Authority to Increase Rates for Natural Gas	)	DOCKET NO. D95.7.90
Service in Montana.	)	(reserved issue #2)
	)	ORDER NO. 5856g

IN THE MATTER OF MONTANA-DAKOTA	)	UTILITY DIVISION
UTILITIES COMPANY, Application	)	
for Authority to Implement the Gas Cost	)	DOCKET NO. D96.4.52
Tracking Adjustment Procedure.	)	ORDER NO. 5909b

IN THE MATTER OF MONTANA-DAKOTA	)	UTILITY DIVISION
UTILITIES COMPANY, Application	)	
for Authority to Implement the Gas Cost	)	DOCKET NO. D96.10.167
Tracking Adjustment Procedure.	)	ORDER NO. 5952c

**FINAL ORDER**

Introduction

1. The above-entitled dockets pertain to Montana-Dakota Utilities Co.'s (MDU) natural gas service to its customers in Montana. Each is pending Final Order before the Montana Public Service Commission (PSC) on one or more issues. The dockets are hereby consolidated for Final Order purposes.

Docket No. D95.7.90

2. Docket No. D95.7.90 is MDU's 1995 general rate case. It is pending Final Order on its reserved issue #2. All other issues in the docket have previously been decided by the PSC through an April 17, 1996, Final Order (Order No. 5856b).

3. This docket's reserved issue #2 involves the proper amount of a revenue requirement increase for MDU's deferred costs of implementing FAS 106 and a related adjustment for prepaid tax. As of March 28, 1997, the parties to the reserved issue, MDU and the Montana Consumer Counsel (MCC), have stipulated that \$47,587 is the proper amount. MDU and MCC have also agreed that the resulting increase in rates shall be deferred until the first gas cost tracker filing made by MDU after this Final Order, with interest accruing at the rate of 10.913 percent (MDU's weighted cost of capital, as approved earlier in this docket) until the amount is actually reflected in rates.

4. The PSC determines that the agreement between MDU and MCC is fair and equitable and will result in just and reasonable rates. The PSC determines that, with the stipulation, there is no cause for further proceedings or hearing on the matter.

Docket No. D96.4.52

5. Docket No. D96.4.52 is MDU's spring 1996 gas cost tracker. It is pending Final Order on all issues. On an interim basis the issues in the docket were decided by the PSC through an April 16, 1996, Interim Order (Order No. 5909).

6. The docket represents a proposal by MDU to decrease revenues by approximately \$1.125 million for the effective period. The PSC determines that MDU's proposal is supported by MDU's application and has resulted in just and reasonable rates.

7. No party has requested further proceedings or hearing on the docket. The PSC determines that there is no cause for further proceedings or hearing and the Interim Order should be adopted as the Final Order in the docket.

Docket No. D96.10.167

8. Docket No. D96.10.167 is MDU's fall 1996 gas cost tracker. It is also pending Final Order on all issues. On an interim basis the issues in the docket were decided by the PSC on October 25, 1996, through Interim Order (Order No. 5952).

9. The docket represents a proposal by MDU to decrease revenues by approximately \$256,000 for the effective period. The PSC determines that MDU's proposal is supported and has resulted in just and reasonable rates.

10. No party has requested further proceedings or hearing on the docket. The PSC determines that there is no cause for further proceedings or hearing and the Interim Order should be adopted as the Final Order in the docket.

### ORDER

11. Through its providing of natural gas service to its customers in Montana MDU is a public utility. The PSC has jurisdiction over public utilities pursuant to Title 69, Ch. 3, MCA.

12. The March 28, 1997, stipulation between MDU and MCC, settling reserved issue #2 in Docket No. D95.7.90, is approved and the substance of the stipulation, attached to this Final Order as Appendix A, is adopted herein as the PSC's Final Order on the issue.

13. The April 16, 1996, Interim Order (Order No. 5909) in Docket No. D96.4.52 is adopted as the Final Order in the docket, all references therein to the interim nature of the order to be disregarded.

14. The October 25, 1996, Interim Order (Order No. 5952) in Docket No. D96.10.167 is adopted as the Final Order in the docket, all references therein to the interim nature of the order to be disregarded.

Done and dated this 6th day of May, 1997, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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DAVE FISHER, Chairman

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NANCY MCCAFFREE, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.